Achieving HIPAA Compliance

In September 2003, MassHealth implemented a temporary contingency plan allowing providers to continue submitting MassHealth-proprietary electronic claims for processing as long as they submitted an initial test in the new format by January 30, 2004. We have been aggressively working with the provider community to convert all providers who submit claims electronically to a HIPAA-compliant format. We will continue working with those submitters not yet in compliance, including billing intermediaries and clearinghouses. Working together, we are confident that electronic submitters can achieve compliance **no later than April 30, 2004.**

If you have not yet submitted an initial test file, you must do so immediately. Failure to submit a test will jeopardize your ability to continue submitting electronic claims to MassHealth. It is critical that all submitters maintain an active role throughout the testing and approval process. Test files should be submitted on a regular basis until compliance is achieved. If you have submitted an initial test, but have not yet been approved for production, please contact the MassHealth HIPAA Support Center to schedule your next test.

Retail Pharmacy providers billing in the NCPDP format should call 617-423-9841.

All other providers and intermediaries should call 1-888-848-5068.

Providers who have not demonstrated a good faith

Free HIPAA-Compliant Software Available

In an effort to assist submitters in becoming HIPAA-compliant by April 30, 2004, we are offering MassHealth providers free HIPAA-compliant billing software—Provider Claim Submission Software (PCSS). PCSS can be used as either an interim or permanent solution and allows the user to generate 837 professional, dental, and institutional transactions, and uploads them directly to MassHealth. Providers can submit their claims via modem or diskette—Internet access is not required.

PCSS is a great resource for small to medium volume providers (recommended claim volume is 2,400 claims per year or less). MassHealth paper claim submitters are encouraged to try PCSS and move toward electronic billing.

In addition to enabling you to bill MassHealth electronically, PCSS can capture and retain your provider and patient data, contains a service code listing (including HCPCS, diagnosis, and place-of-service codes), and has the ability to generate simple reports. You can also use PCSS to manually post your MassHealth payments.

For providers with a practice management system, PCSS can import data from it, as long as the data is in National Standard Format (NSF). That data is then put through the built-in PCSS edits, including many HIPAA-compliance edits, and claims are uploaded to MassHealth. For providers who do not have a practice management system that supports NSF, PCSS has a Direct Data Entry (DDE) option.

Providers Partner with MassHealth for Business Process Improvement
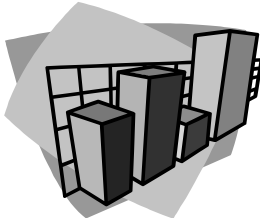
In the coming months MassHealth will be sharing important MassHealth metrics.

"…it was a fantastic opportunity, not only for the providers, but also for MassHealth. We have seen a major decrease in denied claims. We would like to thank MassHealth for putting the pilot program together…"
—Cataldo Ambulance Service, Inc.

Reorganization began January 1, 2004.

As part of the continuing effort to improve our working relationship with the provider community, and to better understand how we can assist you, MassHealth recently launched a pilot program with 11 MassHealth providers. The objective of this program is to work closely with each provider to achieve improvements in billing operations, such as reducing claim denials. This includes providing direct assistance with claim submissions and hosting provider education sessions, as well as asking providers to evaluate their business operations, and to take the necessary steps to effect change.

Another important aspect of this program is to give providers the opportunity to identify specific concerns with our business operations; for example, a specific regulation that is outdated, a business process that could be improved, or areas where service and technology could be enhanced. The providers who are participating in this pilot program represent services from all segments of the provider community, ranging from individual practitioners to large hospitals. We are confident that each pilot partner will see significant improvements in their MassHealth billing operations and that the lessons we learn from this initiative can ultimately be shared with the entire MassHealth provider community. We view this as another opportunity to obtain valuable feedback from some of the key participants in MassHealth— the providers, and we will use the information we collect to improve

MassHealth. (See feedback from one participating provider in the left column of this page.)

If you have suggestions about how we can do a better job, please e-mail your suggestions to us at improve@nt.dma.state.ma.us.

MassHealth Metrics on the Web
In March, MassHealth will begin sharing some important MassHealth metrics with you. This will include general claims processing data, as well as the top five denial reasons and their resolutions by provider type. You may request specific information for your provider type by e-mailing mainquiries@unisys.com. We hope that this information will serve as a useful tool to help you reduce common billing errors.

Reorganization

We are undergoing a reorganization that aims to streamline our business processes to allow us to better serve our providers and members. Since January 1, 2004, we are reorganized into several different areas within the Executive Office of Health and Human Services (EOHHS). Many of our functions fall into the newly created Office of Medicaid and MassHealth Operations. The Office of Medicaid is located at One Ashburton Place, Boston, while MassHealth Operations, which includes the key functions of Member Services and Claims and Provider Operations, remains at 600 Washington Street.

Take Advantage of Automated Solutions

Automated Prior Authorization System

MassHealth has implemented a HIPAA-compliant Automated Prior Authorization System (APAS), which enables providers to both submit and receive via the Internet a response to a prior-authorization (PA) request for a medical service or product that requires PA. With APAS, providers can attach documentation to their request electronically. However, certain attachments that are needed to determine medical necessity (for example, photographs and X rays) must be mailed. Providers will be instructed to identify any mailed attachments, which will then be re-associated with the PA request that was submitted through APAS.

Providers may continue to submit PA requests on paper as they do today. However, MassHealth encourages all providers who routinely request PAs to explore the use of this new automated business solution. Note: providers cannot request prior authorization for retail pharmacy or transportation services through APAS. The existing methods for requesting authorization for these services remain in place.

To arrange a one-hour training session and receive a User ID and password, providers must contact the APAS Training and Support Center at the telephone number or e-mail address below.

Toll Free 1-866-378-3789
support@masshealth-apas.com

For additional information about APAS, please consult All Provider Bulletin 128 (November 2003).

Electronic Funds Transfer

Another MassHealth business process improvement (BPI) is available. Electronic Funds Transfer (EFT) or "direct deposit" has been offered to providers since 1997. In an effort to increase participation, we have implemented the following enhancements based on your feedback:

- an improved single-page online application
- new EFT Web page designed to answer questions and a color brochure to pass on to finance managers or others in your organization who are the financial decision makers
- e-mail confirmation once your application has been processed.

If you do not have EFT, consider signing up NOW. Make 2004 the year to automate all of your MassHealth transactions.

If you do have EFT, we thank you for your participation. To further automate your business you should consider VendorWeb. VendorWeb was created with the needs of financial managers in mind. It is available 24/7 and allows on-line access to scheduled payments as well as payment history.

For more information on EFT visit our Web site at www.mahealthweb.com and VendorWeb at www.mass.gov/massfinance.

Electronic funds transfer has been offered to providers since 1997.

Make 2004 the year to automate all of your MassHealth transactions.
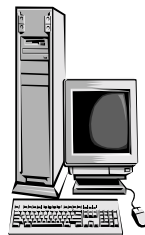
Providers can submit requests for prior authorization electronically.

MassHealth Claim Submission and Remittance Advice Reminders

HIPAA 837I Filename

All nursing facility and rest home HIPAA-compliant 837I production file names must begin with an "L" instead of an "H." Detailed instructions on file naming conventions can be found in the MassHealth 837I Companion Guide on the MassHealth Web site at www.mahealthweb.com (click on "HIPAA" and then "HIPAA Testing" to reach the Guide).

837P and PCC Referral Information

The 837P HIPAA Implementation Guide indicates that referring provider information is situational. However, if a referral number is entered on a HIPAA transaction then the referring provider name (NM1) segment in loop 2310A is required. Referral information is only required on an 837P transaction when MassHealth regulations require it. Please note that we have updated our claims processing system and all 837 transactions containing referral information that do not meet the above criteria will now fail the compliance check.

Claim Attachment Forms

Providers are reminded that HIPAA-compliant (837) electronic claims submitted with dates of service on or after October 16, 2003, that require an attachment will be suspended. A claim attachment form (CAF) will subsequently be mailed requesting the applicable documentation. The CAF and required attachment(s) must then be returned within 45 days from the date of the CAF. The CAF process, described in All Provider Bulletin 125 (September 2003), applies only to HIPAA-compliant claims submitted in the HIPAA-compliant 837 format that require attachments. Proprietary electronic claims (EMC) will deny for error 847 (claim must be submitted on paper), if an attachment is required for adjudication. Submission of paper claims with attachments continues to be an option for all providers. For more information about the CAF process, consult All Provider Bulletin 125, or call MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.

Leave of Absence (LOA) Days

As stated in transmittal letter NF-47 (August 2003), MassHealth no longer pays for medical leave-of-absence (MLOA) and non-medical leave-of-absence (NMLOA) days. However, nursing facility providers should continue to indicate all LOA days on their claim forms. Please note that there has been no change in the payment for LOA days for members occupying rest home beds.

HIPAA-Compliant Electronic Remittance Advice

MassHealth has implemented the HIPAA-compliant 835 health care remittance advice (RA) and payment transaction. Our Companion Guide for this transaction should be used in conjunction with the 835 Implementation Guide. It can be downloaded from our provider Web site at www.mahealthweb. com. If you want to receive the 835 transaction, contact us at 1-888-848-5068 (pharmacies should call ACS at 1-886-246-8503), or by e-mail at mahipaasupport@unisys.com. For more information, consult All Provider Bulletin 127 (October 2003) at www.mass.gov/masshealth.

Achieving HIPAA Compliance (*continued from page 1*)

effort to achieve compliance by April 30, 2004, will jeopardize their ability to continue submitting electronic claims to MassHealth.

Free HIPAA-Compliant Software Available (*continued from page 1*)

PCSS is available for download on our Web site at www.mahealthweb.com. Here you will also find additional product information including the technical specifications to use PCSS. If you do not have Internet access, you may request the software on a CD. For questions about PCSS, please call the MassHealth HIPAA Support Center at 1-888-848-5068.